

EXTENSIONS OF REMARKS

PERCEPTIONS OF APARTHEID IN SOUTH AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. RANGEL. Mr. Speaker, recent events in South Africa have brought a rush of events which heighten public concern in our Nation over the evils of the apartheid system in South Africa. The free South Africa movement in the United States stimulated sufficient public response to force the President to depart from his constructive engagement policy and enact limited sanctions against South Africa.

We in the Congress who have backed more comprehensive economic sanctions are prepared to continue to press for such sanctions. We await, with a great deal of interest, to see whether the President will in fact be willing to support the imposition of economic sanctions in response to the growing concern over the failure of the Government of South Africa to initiate the dismantling of the apartheid system.

Prof. Henry Richardson of Temple University has written for the winter edition of the Temple Review an excellent article summarizing the recent events and analyzing the implications for international law and United States policy. In his article, entitled "Perceptions of Apartheid in South Africa," Professor Richardson touches upon the legal status of apartheid, reviews recent developments, and explains their historical context as well as analyzing implications for the future, and provides us with an excellent profile of United States policy options.

To all who follow the developments in South Africa in the daily press, and also for my colleagues who perhaps are not fully aware of the historical implications and somewhat puzzled about the context in which developments are occurring, I commend to you all the article by Professor Richardson.

[From the Temple Review, winter 1986]

PERCEPTIONS OF APARTHEID IN SOUTH AFRICA

(By Henry J. Richardson III)

BUSINESS AS USUAL

There has long been an inherent contradiction in the position of mining, manufacturing, and other businesses in South Africa. They have greatly benefited from the influx control supplying African labor and artificially low wages, under apartheid, as well as the ready availability of the state's police power to suppress dissenting workers. However, businesses are threatened in their expanding need for skilled labor by apartheid restrictions on moving black workers into traditionally white-held jobs. A steady trickle of skilled white emigration abroad has not helped. Notwithstanding some recent public questioning of apartheid by a few South African magnates,

such as Harry Oppenheimer of the giant Anglo-American Ltd., South Africa's key industrial combine, South African business has never before opposed the status quo. This includes the small, thin, new black South African business sector, which plays a negligible or nonexistent role in the current struggle.

But top white South African business leaders shifted their position, especially after President Botha's universally disappointing speech of August 15, 1985, where promised reform was not delivered. One unprecedented immediate result was a vast crumbling of international banking confidence, leading to a financial crisis which still reverberates. Further, against the public opposition of President Botha, a delegation of white businessmen, including the chairman of Anglo-American Ltd., met in Lusaka in September with Oliver Tambo and other ANC leaders, hosted by President Kaunda of Zambia. A main concern was the prospect of their businesses' being nationalized under an ANC-led government. No stated agreement emerged, but the fact that such a meeting was held indicates these business leaders' willingness to defy the government by negotiating with its main organized opponent, and thus indicates their loss of faith in Pretoria's competence to lead South Africa into a viable future. South Africa's major financial newspaper has called for Botha's resignation. The ANC apparently conveyed in that meeting that in its conception of the future South African economy, there was indeed room for private enterprise, but that the heights of the economy would be nationalized to better and necessarily equalize resources among the entire population.

Perceptions of a post-apartheid South African economy have for some time included the racist propaganda that a black South African government would be incapable of running the modern industrial economy bequeathed to them, and accordingly South Africa would, in the words of George Ball in a 1973 book, be turned into an "economic slum." This is heavily played on by Pretoria, and, unfortunately, similar presumptions are beginning to appear in the American press. The comparison made to problems of other African economies is specious: it ignores the benefits of apartheid and black exploitation to South Africa's economy, and it also ignores the extraordinary resources, coupled with patterns of western cooperation, which have consistently strengthened the industrial (white) sectors of the economy. Few such benefits have trickled to the black majority. Such propaganda will, unfortunately, have to be fought all the way through this economic transition phase.

However, black South Africa is moving into strictly, sometimes coercively enforced economic boycotts of local white merchants. Where some trade is absolutely necessary, the boycott has been relaxed for those merchants deemed less racist. This has accentuated the current South African economic recession, with visible numbers of white merchants going out of business.

Black demands are a mixture of those national (e.g., eliminate apartheid), and those

local (e.g., better water supply and municipal services in black townships). These are coupled with the strategic demand that white merchants use their channels to Pretoria on behalf of blacks. And negotiations resulting in some of the latter actions are taking place, for example in the Port Elizabeth area. But there has also been considerable local white backlash, including advocacy of starving blacks into submission and cutting off all municipal services to the townships in retaliation.

Whether these local economic boycotts can be expanded into a coordinated national economic strategy is unclear but possible. It is equally unclear how well the fledgling local negotiations will hold up, especially since Pretoria's officials detain any representative black leader who rises to negotiate.

American corporations are now divided between those who have either already divested their South African holdings or have vastly reduced their activities and exposure there, and those—such as Goodyear—who continue to find business profitable and will stay unless the situation deteriorates well beyond the present. Those who stay will more firmly commit themselves to the Sullivan Principles, but this is increasingly beside the point. There is considerable support in black South Africa for total American divestment in full realization of some additional black economic hardship caused thereby. American corporations in South Africa are also organizing into a reformist posture against specific apartheid arrangements, but they will not lead in advocating one-man one-vote for the black majority.

The African National Congress has already said there will be a role for whites in a new South Africa. In light of recent history in Zimbabwe and all other southern African states, which have retained European investment and white settlers and business people to help run those economies, there is no reason to doubt them. The same history shows the possibility of special constitutional protection for European minority groups, with the continuing legal effectiveness of such protection depending largely upon the amount of bloodshed in opposing a black majority government coming to power, and the subsequent willingness of whites to work in good faith with that government to develop the country, rather than covertly seeking ways to return to the *status quo ante*. But these possibilities will be dashed in South Africa by attempts to impose a partition scheme on the black majority.

The partition issue looks directly to the future of South Africa as a unitary state. It has been an article of faith in Pretoria's apartheid policy that South Africa exists as several African, a lesser number of mixed-blood tribes, and one white tribe, and hence the rationale of imposing such separations. Although there are several tribes in South Africa, including under this logic at least two white tribes, the longstanding demand and aspiration from black South Africa generally has been to succeed to the same unitary state that South Africa currently comprises under international law. Many other African countries have tribal heritages just

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

as diverse, and they have, with greater or lesser success, melded themselves into unitary states. Their success in part depends upon the degree of outside interference, including the exploitation of internal tribal divisions by the two superpowers to score ostensible geopolitical points against the other.

Now the racist claim, long heard in white South Africa, unfortunately is beginning to appear somewhat in the American press, doubting that a black government could build a unitary state, doubting whether black South Africans are talented and sophisticated enough to govern a modern state, and suggesting various proto-apartheid federal schemes. The danger is that just as blacks are on the verge of winning their freedom, it will be circumvented by either partition or some discriminatory federal scheme sponsored by Pretoria plus conservative American and European public opinion, and that the latter will continue Pretoria's propaganda for it long after that regime has lost the credibility to make it for itself. Under the best of conditions, positive international assistance to a new government will be needed, but negative conspiracies are quite possible. A sufficiently equitable federal scheme may yet be appropriate, but only based on local conditions and majority consent, and not on presumptions about the inherent inferiority of black South Africa to run a modern state.

Economic sanctions against South Africa are, of course, a new element in the future of American business there. Their direct economic impact on South Africa is disputed, but there is little doubt they will make it more difficult for those American businesses who do stay to operate profitably. They also raise the possibility of even stronger sanctions in the near future, and implicitly call the legitimacy of the Pretoria regime in question. President Reagan managed to stave off stiffer sanctions being enacted as a federal statute, but in doing so, to gain authority for his executive order on sanctions under standing legislation, he had to determine formally, for the first time, and the public policy of the United States, that apartheid in South Africa presents a threat to U.S. foreign policy and its national economy.

Those American firms who wanted to divest probably should have done so some months ago, because now it has become a buyer's market for such assets, although sale to South African investors is still possible. The question is whether the perception of black South Africa toward U.S. policy has or will change to view the United States as on the side of those battling to overturn apartheid, rather than supporting those struggling to refine it and thus preserve white domination. The future of American business in South Africa would seem to depend on this answer.

Some new relationship will inevitably be worked out among the demands of vastly greater economic equity—including considerably increased black employment opportunities—within South Africa, black majority rule with white economic participation, the continuing ability of the mines to produce needed foreign exchange, and the establishment of new confidence factors for international lending and credit. A liberated South Africa somewhere in the future will likely call for American investment to return to help develop South African resources to benefit its people. But first, largely because of the wrong-mindedness of the U.S. policy of "constructive engagement," and corpora-

tions sticking too long with apartheid, it is likely that American business will generally have to leave South Africa, even at financial loss, in order to later return under a new government. The example of Gulf Oil in Angola shows that American corporations in Africa can be resilient in profiting under "revolutionary" regimes, provided they show basic political sagacity about events in their host country.

THE CONTROL OF LAND

Events in South Africa raise the key question of under what value system land will be controlled. Up to now, the imposed value has been the perpetuation of apartheid and white minority economic advantage and domination. Legislation such as the Group Areas Act has reserved choice land for whites, prevented black settlement or ownership of that land (except for blacks being permitted to live there as servants), and mandated government removal of black squatters which has consistently involved black misery, government coercion, and black deaths. The homelands policy, previously discussed, has produced an exploitative *de jure* partition of the country, and also operates to forcibly remove black South African citizenship. The notion of partition has been a background drumbeat in modern white South African politics, and various partition schemes have been floated for years.

Under international law, partition of a territory cannot occur without the consent of the people living in it, and this frames the fundamental issue in South Africa: who, other than white military power, will be dictating any partition arrangement? A well-grounded fear is that when Pretoria sees that it can no longer control black and/or colored South Africa, it will lead whites to retreat to predetermined choice and rich contiguous areas of land, including at least one major port, and establish it as a territorial fortress while calling for international support from American and European governments and business. Not only will the directly affected Africans have no say over such a scheme, but it promises to remove valuable and irreplaceable portions of the national patrimony from any subsequent black majority government. These or similar events would cause continuing conflict both in South Africa and in the region, and would only intensify the current threat that South Africa poses to international peace and security.

PRETORIA'S "REFORMS"

Pretoria is now intensely struggling behind its curtain of military force and attempted news blackout with options for survival and a new footing. The white Afrikaner and English-origin communities are increasingly divided within themselves: attitudes among businesspeople have already been discussed, and more whites are either openly siding with the UDF and the ANC, or are sliding into primitive early apartheid postures calling for partition, more military force and a black bloodbath. The liberal white government opposition, in early October 1985, followed the business community's example by sending their own delegation to talk with the ANC in Lusaka. The former, however, have not supported one-man one-vote for the black majority. Other white delegations will also consult with the ANC, if they can surmount Pretoria's recent attempted prohibition of such demarches.

In this context, President Botha's speech on September 30, 1985, on policy reform was the most comprehensive to date on Preto-

ria's intentions toward black South Africa. It contained some new language: "I finally confirm that my party and I are committed to the principle of a united South Africa; one citizenship and a universal franchise." But his principle was immediately limited by statements indicating that those rights would be exercised in complex and undefined political structures designed to "insure that one group is not placed in a position where it can dominate other groups." This is well known code language by Afrikaners that white dominance in national affairs will be retained.

Botha proposed that South Africa evolve into a kind of federation or confederation of what he termed "units" based on geography and race. To initiate negotiations with black leaders, he said he was prepared to change the composition of the advisory President's Council—composed of some sixty representatives of political parties in the previously discussed segregated tricameral parliament—to permit blacks to offer "inquiries and the submission of proposals" to him. Further, while he spoke of a "united South Africa" he made it clear that this did not mean the dismantling of the four "homelands," and equally clear that any offer of citizenship did not imply South African political rights for those living in the "homelands."

As reported in the *New York Times*, much of what Botha said is a restatement and refining of ideas advanced since early 1985 for cautious political change, designed to replace "apartheid" with "cooperative coexistence." His agenda foresaw many "units" that would be "recognized on a geographical and group basis," including "units" for the nine million urbanized blacks in the present ghetto townships. The intention seemed to be to offer some complex form of government to which the black majority, divided as before as ethnic minorities and between rural and urban dwellers, would have a say of some kind in central government that would not impinge on white lifestyles or on white power over white destinies and economic privilege.

This speech has been dismissed by most black leaders. It provides clearest example yet of Pretoria's attempt, in superficially attractive rhetoric (e.g., "the principle of self determination of own community life . . . in culture generally"), to provide modified forms of political governance to defuse black protest and confuse international opinion by the illusion of progress, and thus claim international respectability and credit worthiness. Such proposed changes presume that Pretoria will remain in control, that it will dictate whatever political change occurs, that any negotiations with blacks will take place within hostile white co-opted and dominated arenas, that it has no intention of moving toward one-man one-vote for a national franchise but will trumpet the equivalence of isolated local franchises, that it will make permanent the forcible loss of citizenship for the approximately five million black South Africans arbitrarily assigned to the "homelands" and their continuing exclusion from South Africa's future, and that Pretoria is attempting a new version of its traditional strategy of granting the forms of black political authority while maintaining the economic and power realities of national black dependence on and control by whites through Pretoria.

White minority domination over an artificially divided black South Africa continues as the core political idea from Pretoria and

its supporters. Their concern is how white domination is to evolve from apartheid—as a particular body of legal rules—into a new structure serving the same goals. The promulgation of Botha's scheme would leave the same segregated tricameral parliament intact, and therefore continue the white pressure on coloreds and Indians to divorce themselves from the black majority and throw in their lot with whites "in the lager." So far, precisely the opposite has in fact happened with the majority of the colored domestic concerns, it has been a relatively quiet issue.

Now South Africa is arguably in, or, if present trends continue, may soon be in a pre-revolutionary situation. In response, the nature of American economic and foreign policy interests there has been revealed, as has been the depth of not only Afro-America's concern, but many other Americans' concern that apartheid be abolished and that the situation warrants economic sanctions. Issues which link American foreign and domestic concerns about South Africa have been raised, such as the effects on a U.S. army now with a substantial percentage of black troops, were it asked to take military action against blacks to save threatened South African whites. As has been noted, ingrained attitudes on race in the United States have begun to manifest themselves in media reporting and analyses of South Africa. Co-option and divide-and-conquer strategies find ready mirror images. Such attitudes are so easily recognizable because their analogs have become staples of the American political landscape, such as the early assumption—hopefully now refuted by consistently contrary statements from black South African leaders—that the majority of black South Africans would oppose U.S. economic sanctions and corporate divestment because some of them might lose their jobs or otherwise suffer economic hardship. This is the identical argument to those made by opponents of black economic boycotts, first in the South and later in the North, beginning in the 1940's.

A variation on these attitudes may have found its way into academic methodology, in that many academics have great difficulty in drawing conclusions from reasonably clear facts that political, social, and economic and even theological events and policies may be, even in part, racially motivated. Other, less damning explanations are found in economic, class, political or urban dynamic causality. The same or worse reluctance obtains in the field of international relations. The law has similar problems, but since it is charged as a discipline with managing concrete policy decisions, it has fewer escape routes.

South Africa in this regard serves two somewhat contradictory purposes: it reveals the inadequacy of the above academic reluctance; but it is also used to give the comfort of an aberrational situation. Accordingly, scholars and commentators so inclined can pronounce themselves quite sure that such trends and racism could never arise in another country, certainly not another western country (now that the other great aberration—Nazi Germany—is safely past), and certainly not in the United States. In this regard, white minority domination in South Africa has done yet another historical disservice. So much focus and energy over time on a global scale are being required for its downfall that other, less institutionalized, but nevertheless pervasive and destructive forms of racism—such as the creation in the United States of a growing black underclass,

the tragedy of which has been accommodated by the concept of "structural unemployment"—have been downgraded in the priorities of total resources available to combat such tragedies.

In the future, South Africa promises to be part of the continuing educational experience that black and white America must give each other to get along in the same country, and also of the education that Afro-America must give itself. Both Americas will have to cope with the human normality of black imperfection in South Africa, of which black-on-black violence is one element. Neither Afro-America nor white America, in all their internal variations, can afford to dehumanize black South Africa by holding it up to the standard of perfection in an enormously difficult and deadly struggle. This cannot be afforded for the purposes of Pan-African pride and support, although Afro-America will be rendered more vulnerable in America by perceived black South African misdeeds. Nor can demands for black South African perfection be afforded to maintain American interests there, in trying during this period to retain the advantages of the *status quo ante* by downgrading all possibilities of black political or economic achievement. White imperfections in South Africa must also be understood, but so long as these are reflected in deadly, racially-directed, illegitimate military force to uphold minority domination, they must be understood quite differently.

Afro-America will support the liberation of South Africa into a national one-man one-vote political system or its equitable equivalent, and it will do so increasingly as a domestic issue. The rest of America will have to adjust to this, as a majority may already have. If majority America and the U.S. government relate to both Afro-America and majority South Africa in good and equitable faith during this already violent transition, then the United States' legitimate interests in a new South Africa will be that much better protected. One result will be better communication among all Americans.

DISCOURAGING EXCESSIVE LIABILITY CLAIMS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. GREEN. Mr. Speaker, I would like to draw my colleague's attention to the following article which appeared in the Christian Science Monitor on May 16 of this year.

[From the Christian Science Monitor, May 16, 1986]

DISCOURAGING EXCESSIVE LIABILITY CLAIMS (By Leonard M. Greene)

Even in Aristophanes' time, to "win [a] lawsuit [was to be] happy." The trouble is that the quest for happiness today is altogether out of control.

Everyone has a dead-wrong story to illustrate the madness of our litigiousness. In one case the parents of a child who chipped a tooth on a playground swing successfully sued for \$1 million. Payment of the judgment was far from the conclusion of the story, however.

The real end came when the community closed the playground, insurance coverage

had become prohibitive. How much of the country must be shut down because liability insurance is out of reach?

To discourage excessive liability claims, I propose reducing the actual award given the claimant when it is substantially less than the amount sought in the suit. Perhaps 10 percent of the difference between the original claim and the final award would be appropriate. When deciding on the amount for which to sue, this might incline the claimant and his or her attorney against suing as if "the sky is the limit."

Another approach is the suggestion of legislation to cap court judgments for successful litigants. The legislatures of Maryland and Washington have already enacted caps. Medical malpractice awards are capped in Indiana.

White House leaks indicate that the President, despite his belief in having states assert responsibility on social issues, is considering a national cap on liability awards of \$100,000.

A panel appointed by New York Gov. Mario M. Cuomo urges a \$250,000 ceiling on payments in liability actions. Penalization of "frivolous" lawsuits is also urged.

But the governor isn't convinced by the arguments for a cap. Would a cap of \$250,000 sufficiently compensate for the pain or immobility or lost physical faculties that do genuinely victimize some among us?

An ambulance chaser faced with a stringent cap on the judgment that can be won in a liability suit may, of course, refrain from goading someone into filing suit. The big payoff and the prospect of a 40 or 50 percent slice of it will no longer be there to inspire the lawyer.

The drawback, however, is that restricting lawsuits this way will be on the backs of those whose lives may have been devastated and who will now not have adequate recourse for compensation.

But, in fact, the one value need not be at the expense of the other. Substantial action can be taken to discourage excessive liability claims without disadvantaging those few claimants who on an equitable basis should win very large settlements.

"MY HERO" ESSAY WINNER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to recognize a special young man who out of love and respect for his uncle received the Fenwick High School Essay Award. Keith Sommer's essay, "My Hero," is a masterpiece honoring his uncle Dan Perrino's hard work, loving care of his family, and determination to become a self-made successful businessman in the restaurant business of Chicago. Dan Perrino's Home Run Inn has been a favorite of Chicagoans for many years; which has led to the endless expansion of the restaurant since its conception in 1947.

Keith's honest and straightforward style of writing is another fine example of the outstanding students within the Fifth Congressional District of Illinois. Keith is to be commended for his imagination, coherency, and sincerity for the subject matter; as well as for his writing skills.

Not only is Keith a fine author, but he has something real to say to his uncle, his family, and to us. The love and pride he expresses for his family members are truly based on the finest ideals that have made this country strong and prosperous. The family unit is being preserved in the eyes of some of our most outstanding youth.

THE 300TH BIRTHDAY OF GLOUCESTER COUNTY, NJ

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. HUGHES. Mr. Speaker, Gloucester County, NJ, which I am privileged to represent in the Congress, has just celebrated its 300th birthday. In commemoration of this event, I am pleased to share with my colleagues an editorial which appeared in the Gloucester County Times, which describes in detail the history and tradition of this beautiful county:

300 PROUD YEARS WORTH CELEBRATING

Congratulations, Gloucester County, on your 300th birthday.

Though young by standards of world history, Gloucester County has many accomplishments to its credit. Though old by standards of American history, the county is vigorous and growing.

The first Europeans arrived in the area early in the 17th century. Long before these settlers reached the shores of the Delaware River, the region was inhabited by Leni Lenape Indians, who were peaceable hunters. Both groups are part of our heritage.

Gloucester County itself was born June 8, 1686, predating the nation. Indeed, the Friends Meetinghouse in Woodbury is older than Independence Hall in Philadelphia.

Gloucester City—back in 1686 a part of Gloucester County—was the first county seat. The seat of government later was moved to Woodbury, where it remains. Courthouses representing three periods of Gloucester County history now stand in the city. The first courthouse burned.

The county played a key role in the Revolutionary War through the Battle of Red Bank, where a relative handful of patriots held off a much-larger force of Hessian mercenaries, who fought for the British. Men and women from the county also fought and served elsewhere in the war for independence, as in subsequent wars to preserve our nation.

Throughout its history, farming has been an important industry in Gloucester County. Its many farms continue to make a vital contribution to the county's economy. In more recent years, the riverfront—once a place of amusement for Philadelphia residents—drew petrochemical industries. While these are in decline, industrial parks, attractive because of the transportation routes through the country and the labor pool here, have shown remarkable growth.

The county boasts two institutions of higher learning—Glassboro State College and Gloucester County College. In addition to its 13 public high schools, the county has an outstanding vocational-technical school.

It has been and continues to be home to the famous and the humble. And while the county has had its rogues, the people are its strength. All of us share in the 300 years of

history celebrated this month, and we all share in the promise of the county's future.

Its problems—including dangerous toxic waste dumps, the threat of a new storage facility for additional toxic waste and the need for new water supplies—are real. But the determination of county residents and officials is more than adequate to solve the problems.

Moreover the county's resources and strengths far exceed its weaknesses, making the outlook for its next 300 years bright.

Celebrating our 300th birthday can help us understand our past, deal with the present and prepare for the future. It can increase our pride in being Gloucester Countians. And it can be fun, as birthday parties should be.

The Gloucester County Tercentennial Commission has prepared lots of ways to celebrate. Be sure to take part.

THE URGENT NEED FOR IMMIGRATION REFORM

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. SEIBERLING. Mr. Speaker, there is a growing interest by the environmental community in the fate of the immigration reform bill, H.R. 3810, currently under consideration by the House Judiciary Committee.

Many members of the environmental and conservation communities are concerned about the connection between immigration, U.S. population growth, and stress on our natural resources. On this basis—protecting the environment from the effects of overpopulation—they want us to take action this year to limit both legal and illegal immigration.

On June 5, several hundred members of a national nonprofit organization called Population-Environment Balance paid for a full-page ad in USA Today which sent a message to the Congress. The ad read, "Two-thirds of the American public think something should be done to slow population growth. Yet our policymakers in Washington are denying that the United States has a population problem (and doing) next to nothing about controlling illegal immigration, even though more than 1,800 people enter the United States illegally each and every day."

The population of our country is growing faster than that of any other industrialized nation, and immigration is becoming the main source of that growth. Population growth is getting ahead of our ability to provide needed housing, jobs, infrastructure and public services. Without a reasonably stable population, solutions to our economic, social and environmental problems are going to be much more difficult to achieve.

The chief staff executives of 10 of our Nation's leading conservation organizations are on record in favor of prompt U.S. population stabilization as a means of protecting the quality of the environment. Their organizations include the National Resources Defense Council, the Environmental Policy Institute, the National Wildlife Federation, the Environmental Defense Fund, the Izaak Walton League of America, the Sierra Club, the National Audubon Society, the National Parks and Conser-

vation Association, The Wilderness Society, and Friends of the Earth. Last year these environmental organizations jointly declared that: "The administration should establish formal population policies, including goals for the stabilization of population at levels that will permit sustainable management of resources and a reasonably high quality of life for all people."

Mr. Speaker, the only way to assure ourselves of a manageable-sized population in the United States, and to assure that there are enough natural resources to go around, is by limiting legal immigration and eliminating illegal immigration. Population-Environment Balance, Inc. (formerly The Environment Fund) of Washington, DC, recently released a report on the immigration-environment relationship. The executive director of Population-Environment Balance, formerly Assistant Secretary of Agriculture for forestry and soil conservation policy in the Carter administration, is M. Rupert Cutler, Ph.D. The text of that report follows these remarks. It contains some very cogent recommendations.

Let me add only that, important as it is to get immigration under control, the corollary to that is that we must do all we can to help those countries with populations undergoing overrapid growth, such as our neighbors to the south, expand their efforts for family planning programs and increasing their people's living standards. Unless they can bring their population growth under control, the United States will ultimately be inundated by illegal immigrants no matter how strong our immigration laws may be.

IMMIGRATION REFORM: A QUESTION OF NUMBERS

WHY IMMIGRATION REFORM?

According to the Census Bureau, the population of the United States increased by nearly 2.2 million in 1984. This increase was the result of 1.65 million more births than deaths and 523,000 more immigrants than emigrants. One large component of U.S. population growth, however, is completely ignored by the Census Bureau. Because there is no official count of illegal immigration, the Census Bureau does not include illegal immigration in its calculations of U.S. population growth.

The number of illegal aliens entering the United States each year is high. Last year the Immigration and Naturalization Service (INS) apprehended nearly 1.3 million illegal immigrants at U.S. border and interior points. Estimates of the number of illegal aliens who make it into the country vary widely. No one knows the exact number, but the Environmental Fund considers a net increase of 500,000 to 1 million to be a reasonable range. Adding these numbers to the Census Bureau figures yields a total U.S. population increase for 1984 between 2.7 and 3.2 million.

Officially, the largest single-year population increase in the history of the United States was 3.1 million in the baby-boom year of 1956. United States population growth, counting illegal immigration, is now approaching this historic high. At current fertility levels, and assuming that immigration is at the high end of The Environmental Fund's range, the population of the United States could swell to 291 million by the turn of the century—an increase of 54 million people in just 15 years. By the year

2030 the population of the United States could be 375 million—and still be growing.

If Congress were to pass legislation that significantly curtailed illegal immigration and placed a limit on legal immigration, total net immigration could be held to 500,000 a year—which is twice what it was in the 1960's. At this level, and at our current fertility rate, the population of the United States would stabilize at 278 million by the year 2025, assuring a far better future for our country.

WHAT KIND OF IMMIGRATION REFORM?

There is a need for immigration reform, but not just any immigration bill will do. The exact form the bill takes will strongly affect America's demographic (and thus its environmental and economic) future. Because of this, it is critical that the various aspects of immigration reform and control legislation—illegal immigration, legal immigration, amnesty and guest worker programs—are examined from a demographic impact perspective.

Illegal immigration

The cornerstone of any bill that attempts to control illegal immigration into the United States must be a ban on the hiring of illegal immigrants—"employer sanctions." Other measures, such as improved border enforcement, also are important. But any bill that does not include employer sanctions will not effectively stem the flow of illegal immigration. For if it is not illegal to hire illegal aliens, then employers will continue to hire them, and people will continue to be pulled into this country by the magnet of jobs. Without employer sanctions to address the "pull-factor," illegal immigration will continue to be a major source of U.S. population growth.

Amnesty

The amnesty provisions that were present in the House-passed immigration bill of the 98th Congress—a sweeping amnesty for illegal aliens in the U.S. before January 1, 1982—would have been a demographic time bomb. Under current law, immediate relatives of U.S. citizens are admitted into the United States without numerical limitations.

Between 4.5 and 11 million illegal aliens live in the United States, and though the exact demographic result of an amnesty provision is impossible to predict, it would certainly be significant. Five years after an illegal alien becomes a permanent resident, he can petition for citizenship. If, for example, eight million illegal aliens eventually gain U.S. citizenship and each sponsored four immediate relatives, 32 million people might be legally added to this country. These immediate relatives could in turn sponsor their relatives, a process known as "chain migration."

The Environmental Fund warns against amnesty, but if Congress chooses to include amnesty in immigration reform, The Environmental Fund supports the "triggered amnesty" approach proposed by Senator Alan Simpson. Under this plan, an amnesty program could not be implemented until a Presidential Commission certifies that illegal immigration is under control.

Legal immigration

An overall ceiling on legal immigration, such as the 425,000 limit of the 98th Congress's Senate bill, is an essential component of an effective immigration reform bill. Under current law only about one half of all admissions (those immigrants admitted under the preference system) are limited by

a binding ceiling. There is no limitation on the number of immediate relatives of United States citizens admitted and only a partial limitation on the number of refugees admitted. Without an overall cap on admissions, we will not be able to control the future population growth of America.

Guest workers

Guest workers are another area of demographic concern. Under the provisions of an amendment adopted by the House in 1984 (the bill itself did not pass), upward of 500,000 temporary foreign workers could have been admitted to the U.S. for up to eleven months of the year. A huge guest worker program such as this, with numbers approaching current net legal immigration levels, would introduce many more people to the United States who may set their sights on immigration—legal or illegal.

POPULATION GROWTH AND ENVIRONMENTAL QUALITY

Some argue that the U.S. has a duty to provide an escape valve for the burgeoning populations of the world by accepting anyone who wants to come. But with the world population increasing by over 80 million a year, such migration would not mitigate significantly conditions in other countries and would lower substantially the quality of life here—for all residents, including the new arrivals.

Rapid population growth in a highly industrialized nation, already beset by serious environmental problems, is cause for alarm. A World Bank economist recently warned that population increases in the rich world put about eight times the pressure on world resources as do increases in the poor world. In recent years much progress has been made on many environmental quality protection fronts. Without proper immigration reform, however, future efforts to protect wildlife habitat, preserve farmland and wilderness, improve air and water quality, and provide adequate water supplies (particularly in the Southwest) may be overwhelmed by population growth.

The Environmental Fund believes that a citizenry well-informed about the effects of population growth on the quality of life will support a national population policy designed to foster a stable U.S. population.

THE STATE OF THE PHILIPPINES

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. HEFTEL of Hawaii. Mr. Speaker, this is the third of a 10 article series on the Philippines written by George Chaplin, the editor-in-chief of the Honolulu Advertiser. This installment addresses the political, economic, and security problems facing the new Aquino administration.

The Philippine economy is in desperate need of economic assistance. The growth rate of the Philippines has been negative for the past 3 years and this trend is expected to continue. Unemployment in the Philippines is extremely high: 30 to 35 percent of the people are out of work and another 25 percent are underemployed. Seventy percent of the population is near or below the poverty level. The Philippine military is also suffering. In order to be successful, President Aquino must rectify

these problems, and at the same time supervise these competing factions within the government, ranging from the anti-Marcos faction on the left to remnants of the Marcos administration on the right.

The article follows:

[From the Honolulu Advertiser, May 30, 1986]

POLITICS, SICK ECONOMY BURDEN CORY

(By George Chaplin)

MANILA.—President Cory Aquino has got to assert her leadership and start coming up with solutions to political, economic and security problems.

So says one of the several U.S. officials we interviewed in Washington and here in Manila; all spoke freely on condition they not be named. (We quote from more than one to show some differences in perspective.)

This official, who follows the situation in considerable detail, provides this overview:

On the political front, Aquino first has to maintain control over an uneasy government coalition, embracing three groups.

Those to the left of center are political purists, vociferous critics of Marcos, strong on human rights, demanding the government set up rigid standards for fairness and justice. They perceive foreign policy as being too friendly to the U.S.

The Second Group is reflected in Vice President and Foreign Minister Salvador Laurel, who's leading UNIDO, the largest party in the coalition, in the center of the spectrum.

His father was president during the Japanese occupation and he has a brother who was a governor. He's a good friend of the U.S. He subordinated his presidential ambitions to accept the number two spot.

The third group consists of remnants from the Marcos regime—Defense Minister Juan Ponce Enrile and Armed Forces Chief of Staff Fidel Ramos. They're right of center.

The left group favors amnesty and reconciliation for the insurgents. Those on the right say those are fine in principle, but an effective military is needed to hit the hardcore communists.

The left types hope to reconcile and then be able to divert a good part of the military budget to social programs. The right group wants more military budget. Laurel is going along with reconciliation, but he's against a military budget cut.

There's tension over the U.S. bases. The left wants more money (for the lease) and wants to be convinced the bases serve Filipino interests as well as American. Laurel, Enrile and Ramos know the importance of the bases. They're not playing a nationalist game of tweaking the U.S. nose.

The Center and right groups didn't approve of Aquino dissolving Parliament and suspending the constitution. They're nervous at her unlimited decree power (pending the writing of a new constitution and holding of elections).

A third problem involves jobs. There's massive unemployment. Under-employment is pervasive. Being a mayor or governor or holding other office is important, since it enables you to have money, to educate your kids. If you lose your job, there's no way to support your family.

Laurel, with UNIDO, has the largest group in the coalition. Aquino knows he wants to be president and her people don't want to let him in. There's a lot of patronage in the provinces—over 1,500 mayors,

10,000 town councillors, 42,000 village chiefs.

It was proposed there be elections this month for governors, mayors and town councillors. Aquino took power in February and (to dismantle the Marcos apparatus) she issued orders to (Local Government Minister Aquilino) Pimentel of PDP/Laban to replace the incumbents.

This infuriated Laurel (who feels patronage is being stacked against him, by the party which is smaller than his). The question is not only who is Pimentel naming, but what happens to them next year or earlier when elections are held. Laurel wants to play, but he could pull out and shatter the coalition.

Local government is very important in the Philippines. Officials have a lot of authority and affect the daily lives of people more than the president. The military also is upset about the way replacement of officials is being handled.

Marcos put together a local government system which included some good people who ran their offices well. He was able to attract people from different families and regions into a network supporting him.

It's time now for a change, but Pimentel is putting in some yo-yos, so the military now is dealing with Pimentel's former driver who is now a mayor.

Aquino has to keep the coalition, but also project to the people as a whole a countenance of confidence. They are looking for great things from her—jobs, handling the insurgency, brokering the politics with and between her ministers.

In economics, the Philippines is sick, while the other nations in the region are doing relatively well. The country has had three years of negative growth and probably will again this year. Per capita income in three years has dropped from \$800 a year to less than \$600. There are 30 to 35 percent unemployed, another 25 percent under-employed.

Finance Minister Jaime Ongpin says 70 percent of the population is living below or near the poverty level. Marcos-created monopolies stifled free enterprise. Foreign debt is \$26 billion. It takes 30 percent of foreign income to service the interest on that debt.

Aquino has to reorganize the economy and dismantle the monopolies. The basic export industries are sugar, bananas, coconut and mining. Marcos put friends in charge and gave these to them. She's got to reorganize a host of state-run enterprises that were set up for cronies.

She has to stabilize the exchange rate. She has to reschedule foreign debt payments. It's like giving mouth-to-mouth resuscitation to a near-corpse to get the patient off the bed and walking.

Population growth is 2.7 to 2.8 percent a year. The 55 million people are projected to be 80 million by 2000 (14 years hence). Contrast this with the 24 million in 1965 when Marcos went in.

For security, it's basic to come to grips with the communist insurgency. Home-grown opposition split off from the Moscow line in 1968. They started with a handful at the outset, today have 20,000 full-time, 15,000 to 18,000 as militia, a five-million person base in 64 of the 75 provinces.

They operate in 45 fronts in all areas, with active influence in one-third of the 42,000 villages. There's a core of highly dedicated, ruthless Leninists who were originally middle-class students and teachers, ex-priests and ex-nuns.

In 1982-83 there were 6,000 guerrillas, but they've tripled because of the Aquino death

and abuses by the Philippines military, plus economic decline. Most of the guerrillas and militia are probably not ideologically committed.

Cory Aquino's task is to put together a plan that comes to grips with the insurgent threat. The NPA (New People's Army) is political as well as military. Its National Democratic Front (NDF) and other fronts are active with teachers, students, unions and farm workers.

Political proselytizing is why they're so deep into towns. They plan to use the NPA to keep the army at bay while doing political missionary work. They want to gain political power, not military power per se. They want to be able to bargain, to be in the government.

Aquino wants to try a cease-fire and amnesty, but has to have approval of the government with popular support, plus a strong economy and an effective military. Does she have what it takes to do that?

The Philippines military is sick and deformed but with a core of professionals. It was co-opted by Marcos and so lost its ability to lead and earn respect. The ability to do the basic tasks suffered severely.

It has the lowest military budget in the region. Only 44 of 248 naval ships can move. None is regarded by the U.S. Navy as seaworthy. Air force pilots lack practice for lack of fuel. Soldiers in the field lack food, uniforms, good arms. And they were abusing the local population.

Aquino has retired 23 "over-staying" generals, 16 colonels. For the first time there's a vital element of credible government. She is hard-working, decent, friendly to the U.S., wants to do the right things.

Defense Minister Enrile and Ramos, if given sufficient authority and resources, can begin to restructure the armed forces.

Cory has about a year to demonstrate to the people that she has sufficient competence to justify their confidence. Hope is important. People are in desperate straits, but they will try to endure. Filipinos are a resilient, patient people.

The extended family system provides for resilience. Everybody pitches in. Overseas remittances are important; 300,000 in the Mideast sent back home \$1 billion a year. There are a million Filipinos in the U.S. and they repatriate another billion a year.

Q: Who supplies the NPA?

A: Almost all is acquired by their knocking off the poorly trained government militia. Kids are unemployed, they take their AK-47's and also knock off police stations. Generally they don't take on the army, but they have sacked regional arsenals.

There are a lot of guns in Filipino society, sort of like Abilene in the old days. Some of this is Middle Eastern because with Muslims it's part of the definition of a man to be armed.

Q: What of U.S.-Philippines relations?

A: The World War II generation of the Philippines is passing. There's a new generation. Of the 55 million people, one-third are 10 years or younger. 42 percent of the population is under 15.

Five of our eight security treaties are in Asia/Pacific—those with Japan, Korea, Thailand, the Philippines and Australia-New Zealand. The Philippines is one of a handful of nations in the region essential to our security. We have to find ways to demonstrate to the new generation that the bases serve their interests too. To do that we must provide help.

He expects that in 1991, when conditions change regarding the bases, there will be

tough negotiations, it will cost us more, but they will ask us to stay.

Our aid to the Philippines is substantially less, incredibly less than what we give Pakistan, Egypt and Israel. It's an incredible bargain. There's no other military establishment that combines (Clark's and Subic's) unsurpassed strategic locations or their capabilities.

The labor force on the bases is rated the most skilled for what it does at the cheapest price anywhere in the world. We pay one-fifth to one-sixth of what it costs us in Japan and one-tenth of what it costs us in the U.S.

AQUINO HAS "REASONABLE" CHANCE OF SUCCESS

(By George Chaplin)

MANILA.—We asked a knowledgeable American official how he sees President Aquino's chance of success.

A: If by early next year she can be in a position in which the economy has begun to show acceptable signs of growth; if the government is back in a constitutional framework; if she has had local elections; if she continues to give support to the military and its reform effort, she could be a success. The economic and military challenges are daunting, but prospects are reasonable.

Q: Is there any fear of (Defense Minister Juan Ponce) Enrile's ambitions being dangerous to the government, either through a coup or undue influence?

A: I don't see any signs. Enrile, a holdover from the previous government, is a somewhat different person in this government. Many have spent years seeing Enrile (who was Marcos' defense minister and the architect of martial law in 1972) as part of the problem, so a residue of suspicion is not surprising.

I feel Enrile wants to see the government succeed and wants to help, but he will express his own views when and if he feels the government is making a mistake.

Q: Both he and (Vice President and Foreign Minister Salvador) Laurel have been critical of Cory, particularly regarding appointments of Officers in Charge (to replace Marcos people in provincial and local offices). Is she in charge?

A: She is in charge and increasingly assertive. In addition to problems, the government has obstacles—no time to plan. One Saturday they were in the coffee houses, Tuesday they were in power.

The coalition is held together by a desire for a change and antipathy for Marcos. There are five constituencies. The two major parties, PDP/Laban and UNIDO, each has its own agenda. You expect parties to position themselves. The business community as reflected in the cabinet is the most coherent of the constituencies.

On the economic side, the government thus far has been laying out an agenda. The No. 1 job is to get the economy going again. Some in the administration are neither government type nor businessmen.

For examples, human rights lawyers (Joker Arroyo is Aquino's executive secretary; Rene Saguisag is presidential spokesman; and Jovito Salonga is head of the Commission on Good Government) are not sympathetic to the military or politicians. Her task is to have them marching together. After a few months it's not surprising there are some cracks.

Q: What cabinet people impress you?

A: (Jose) Conception, (the trade and industry minister); (Jamie) Ongpin, (the fi-

nance minister); (Ramon) Mita, the agriculture minister; Enrile, who has useful insights; and the minister of transportation (Hernando B. Perez).

Some suspicion of people toward the military goes back to martial law and there's some feeling by the military that inquiries regarding corruption and human rights will jeopardize them.

There's a period of settling in and some things are being turned upside down. They're now stripping away Marcos' apparatus. Things won't be normal until the constitution is in place and new elections take place.

The battlefield on which political fights are carried out is now within the government itself. Cory's tendency is not to form a political base. Her popularity is her base. The perception is that that's part of her power.

Q: What of the role of the Catholic church in the "Jesuit Mafia"?

A: I don't think that (Cardinal Jaime) Sin is a major advisor or ever was. He was a moral force for change. Some argued that (Cardinal Ricardo) Vidal (president of the bishop's conference), who issued strong letters after the election, played a more vital role.

Sin is not a force behind the president, but she may call him from time to time. There's no question Cory's faith is a fundamental component of her approach to government. Some clergy have been close advisers, for example Father (Joaquin) Bernas (president of Ateneo University.)

The church as an institution has played such a critical role in the last few months it can never go back to its non-secular role of 10 years ago. If it did, it would lose the left part of its spectrum.

Q: What of pro-Marcos people? Is there support in the provinces?

A: First, it's important to remember that whatever the actual margin in the election, Marcos got some millions of votes so there's some residue of support. Because of the disclosures of his hidden wealth, a lot of that support dissolved, including on the part of some members of his own cabinet.

There's tribal loyalty. Among the Ilocanos you'll find quite a bit of Marcos support. They're Ilocanos before they're Filipinos.

Political life is dominated by groups of families. It will be hard to create new centers of power. Some say the government should pursue a policy of attraction—since switching parties is a long established tradition.

Q: Ramos gets high marks from the U.S. military on having no political ambition.

A: Ramos is a highly professional officer, who sees an opportunity for vindication of his career.

Q: What of the secessionist movement in the south?

A: It's a lot of smoke. The leader (Reuben Canoy) got 36,000 votes in the last national election. It's not a serious move for independence in Mindanao, but it's still important for the government to uphold the law.

Q: How long will the Aquino coalition hold up?

A: For a long time unless Laurel doesn't want to be vice president any more. He's been careful not to separate himself from her (the president) personally. I think she trusts him and that the personal relationship is quite good.

Q: What of her statement that she wouldn't run for a second term?

A: A year ago she said she wouldn't run at all. She seems to be enjoying herself more.

Q: What about the economic situation?

A: The country is basically broke. They can get some help from the International Monetary Fund (IMF). Bank flexibility is required to enable the structural reform to enhance the role of the private sector and get government out. The engine has to come from the private sector and mostly the rural private sector.

Q: On the economy, is there any sign of Filipino repatriation?

A: There are tentative signs of Filipino money coming back. The peso is stable against the dollar. There's a lot of Filipino capital outside. Anybody who had surplus wealth got it out. As the economy begins to pick up and people are more confident, some money will be returning. Some already has. The best way to get it back is to establish an environment of confidence.

Q: What are the odds we'll retain the bases?

A: The best way to assure the opportunity to have access is to maintain strong relations with both the government and the people. It's important that we conduct ourselves in a way that shows we're not just interested in the bases.

There's a good shot that we can continue to negotiate for the bases, although the price will go up.

Q: What about the communists?

A: The leadership of the Communist Party is predominantly young, middle-class, university-educated. The insurgents are a dangerous problem. The mass base which gives tacit or explicit support of the NPA (New People's Army) has dropped some. The change in government has at least raised the question of whether things won't be better.

The communist use military action as a means of political control. They don't envision rolling tanks into Manila. They've deliberately left the (U.S.) bases alone since '76.

REDONDO BEACH COUNCILMAN ARCHIE SNOW OPPOSES OFF- SHORE DRILLING

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. LEVINE of California. Mr. Speaker, I rise to recommend to my colleagues a superb statement from Redondo Beach Councilman Archie Snow speaking on behalf of the mayor and council of Redondo Beach before the California Secretary of Environmental Affairs with regard to the Department of the Interior's proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program.

Councilman Snow's cogent arguments deserve the review of all of us. He eloquently argues that "those of us who are concerned about OCS offshore drilling feel we are being ignored." His concerns and those of the other local coastal cities deserve much more attention and consideration, particularly from an administration which claims to believe in local control.

I insert at this point in the RECORD a copy of Councilman Archie Snow's testimony:

COMMENTS FROM COUNCILMAN ARCHIE SNOW OF THE CITY OF REDONDO BEACH PRESENTED TO SECRETARY OF ENVIRONMENTAL AFFAIRS, JANANNE SHARPLESS

Madam Secretary, on behalf of the Mayor and Council of the City of Redondo Beach, I wish to present our comments regarding the Department of Interior's (DOI's) proposed five-year outer continental shelf (OCS) oil and gas leasing program.

We have repeatedly expressed concern about the negative environmental impact that this type of offshore energy production will have on Southern California, and in particular, the Santa Monica Bay. We have advocated the development of alternative and renewable sources of energy such as methanol and ethanol as a means to protect our Southern California environment.

We view the Santa Monica Bay as an endangered ecological and recreational area. Too many of our wetland habitats have been reduced or eliminated in the name of progress. The Santa Monica Bay provides recreational facilities for millions of Southern California residents who swim, boat, or fish. Offshore oil drilling will do nothing to enhance this environment. The only question is how much it will cost.

It is with particular concern, therefore, that we note in the proposed leasing program that Southern California and the Santa Monica Bay are designated for accelerated development. We in local government in Southern California have long felt that the competing and sometimes conflicting national priorities to produce energy and to protect the environment have placed our region in a classic "Catch 22" situation. Leasing in the waters off Southern California will only aggravate this problem. Offshore oil and gas production will seriously impair our efforts to achieve clear air standards because this drilling will increase vapor discharges into the atmosphere and aggravate other forms of pollution associated with such operations. The proposal to lease in Southern California comes at a time when our area is under an imposed deadline from the Environment Protection Agency to meet federal clear air standards. We fear that our environment will be sacrificed to satisfy the insatiable appetite of DOI and the oil industry for oil and gas.

The proposed OCS oil and gas leasing program adds to this concern because it leaves many questions unanswered. When and where will drilling take place? How will the crude oil and its by-products be transported? Definitive answers to these questions are currently not available. The information that is available shows that the oil industry has indicated a high degree of interest in the Southern California Planning Area. The cost benefit analysis done by DOI projects that net benefits will exceed cost by a substantial margin. In fact, the DOI proposal states that the social costs are probably overstated. We believe the risks associated with producing OCS oil and gas are understated, not overstated. The potential risks to the Southern California region in general, and the Santa Monica Bay in particular, are enormous. For this reason, we remain unalterably opposed to offshore drilling in the Santa Monica Bay and strongly urge that this area be deleted from the Southern California Planning Area.

The risks associated with offshore OCS drilling from our perspective here in Southern California may be grouped as follows:

- (1) The handling OCS crude,
- (2) The potential earthquake threat, and

(3) The environmental impact reporting process.

HANDLING OCS CRUDE

Transportation of Santa Barbara's heavy crude oil requires either blending of the oil with other materials, such as natural gas liquids (NGL), or the heating of the oil, so that it will flow more easily through the pipeline. Santa Barbara County is requiring that this blending with NGL be done in the proposed Southern California Pipeline System (known as the Angeles Pipeline). We believe this process presents a potentially serious public safety hazard. NGL's are highly volatile, and any pipeline breakage could lead to a critical incident. We are very concerned that the potential risks of fires and explosions be discussed and planned for early in the design process. For example, the Angeles Pipeline, a new segment of the Southern California Pipeline System, will be 130 miles long and will pass through 12 cities and 18 miles of unincorporated county areas. This pipeline must be structurally sound. Consideration must be given for the particular risks faced in densely populated areas along the proposed route.

POTENTIAL EARTHQUAKE THREAT

The main reason that the blending of crude oil with NGL is such a concern here in Southern California is the potential for a major earthquake. In an analysis prepared for the Governor's emergency task force on earthquake preparedness, a scenario was developed based on an earthquake of 8.3 in magnitude. That report indicated that in the event of such a quake, pipeline facilities would probably sustain varying degrees of damage depending on the proximity to the actual fault line and the stability of the ground on which they are built. Pipelines coming from Kern County to Los Angeles would cross the San Andreas Fault in the Tejon Pass region.

ENVIRONMENTAL IMPACT REPORTING

We do not believe that Environmental Impact Reports (EIR's) to date, and this includes the soon-to-be completed PAC-TEX EIR, accurately provide either the full information or proper framework for the discussion that is necessary for our region to understand the risks and to comment on them in a meaningful way. One of our biggest problems is the ambiguous language used in many of the documents, i.e., "best available control technology."

EIR's should include a requirement that public notice be given if pipeline operations will be transporting products that are more hazardous than hot crude oil diluted with liquid petroleum gases. Maximum efforts must be taken to keep any proposed pipeline route from residential areas. EIR's should also address the transportation on public highways of the sulphur and other products that are removed from the oil before it goes into the pipeline system. There should be strict adherence to air and water quality regulations.

We must work together sharing information, preparing emergency management teams, and coordinating with the oil companies and state officials. We propose that funds be made available to local jurisdictions to review and comment on EIR's relating to OCS oil and gas production and onshore transportation and refining processes and to deal with the anticipated and unanticipated costs associated with such production.

Specifically, we propose that the federal government set aside a portion of the benefits to be realized from lease sales as well as

oil and gas sales as a contingency fund available to local jurisdictions for use in evaluating and dealing with the potential risks. The statistics provided by DOI in their program proposal may be useful in determining the reserve necessary to mitigate the risks associated with OCS offshore drilling. The maximum cost associated with OCS development is estimated by DOI to be approximately \$158 million as of January 1987. However, it should be noted that DOI's cost-benefit analysis is based on assumptions that are currently at odds with reality. For example, crude oil prices are not \$29 per barrel, or \$19 per barrel; crude oil is selling for less than \$15 per barrel and the price is dropping. This situation may change in the future, but the reality today is that Section 18(a)(4) of the OCS Lands Act requires that leasing activities be conducted so as to assure receipt of fair market value. Therefore, the current price of oil will most assuredly depress the fair market value of these leases. We submit that this situation makes a delay in any lease sales advisable. To do otherwise will merely add to the oil glut, encourage waste, and increase still further, the environmental risk to the area in which we live.

We have stated on previous occasions that those of us who are concerned about OCS offshore drilling feel we are being ignored. We hope that this will change in the future. We hope that our proposals will be considered in light of the enormous risks associated with the assumed benefits to be derived from OCS offshore drilling.

INTRODUCTION OF ANTI-TRAFFICKING LEGISLATION

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. SWIFT. Mr. Speaker, a year ago if you were asked how is a broadcast station like a pork belly, you would have thought the questioner was crazy. Today there is a strong and disturbing similarity. Both are being treated as mere commodities, and the special responsibilities that go with a broadcast license are increasingly being ignored by traders who have no interest in being in the broadcast business, but only an interest in trading licenses for profit.

The Committee on Energy and Commerce, on which I serve, has spent considerable time looking at the important issues raised by mergers, buyouts and takeovers in the broadcast industry. Conclusions, though, have not been easy to draw, since there are both good and bad aspects in the way the market has been working. One issue that I believe must be addressed, however, is the proliferation in the trading of broadcast licenses by people who are not primarily interested in assuming the responsibilities that go with operating a radio or television station.

More than \$30 billion in deals involving broadcast stations were made last year. In part, this was due to the interaction of three FCC changes in rules. First, the FCC loosened its rules on station ownership to allow one person to own up to 12 TV stations and 24 radio stations. Second, they have liberalized the attribution rules so that a person can own a larger share of a station without being

counted as an owner. Third, the FCC no longer requires an owner to hold his license for a full term.

This last change, more than any other, has encouraged the entry of what Commissioner Quello has called the fast buck artist—a properties trader more interested in short-term profits than in serving the public.

U.S. policy regarding broadcast licenses has always recognized the appropriateness of making a profit, even a very large profit, from operating broadcast facilities so long as the licensee meets his special responsibility to serve "in the public interest, convenience and necessity." Over the decades the industry has, by and large, done an exemplary job of meeting this public interest requirement while pursuing its entrepreneurial goals. There is, in fact, a ready acceptance among professionals in the field of these special responsibilities. Public interest groups and broadcasters have disagreed from time to time on whether the public service programming is of the right kind, of adequate quality or quantity, and so forth. But there has never been disagreement that the public interest responsibility is real and a major consideration for anyone who chooses to go into the broadcasting business.

This industry has always accepted its special responsibilities, but this national policy is being severely endangered by a new attitude which asserts that a broadcast station is just another commodity whose purpose for existence is to be traded for a profit, that owning a broadcast station carries with it no more social responsibility than owning a pork belly.

The impact is not limited only to reduced public service to communities of license. Another equally insidious effect grows out of this new practice. Now that licenses are treated as commodities, station prices are being driven to incredible heights. That forces all buyers, even those who are willing to accept the special responsibilities of public service to go along with a license and wish to operate a station rather than merely trade it, to take on more debt than, in fact, can be serviced if the station is to spend the necessary and even usual sums that are required for effective local public service.

Already, people in the broadcast industry are recognizing the impact these changes are having on the industry's character. Channels magazine this month reports that, with the development of media blind trusts,

The process of buying and selling TV stations has become as mundane as a real-estate transaction and as dry and simple as an oil-and-gas investment trust.

The article goes on to say that

What's disturbing about these funds . . . is not that they are designed to gather investor resources to purchase media properties but that their only goal is selling these properties after price runups.

CBS executive Thomas Leahy recently saw serious threats to the broadcast industry caused by takeovers and the buying and selling of stations for short-term profits. He said,

It seems to me that the character of our industry is changing. . . . If what we see today continues to accelerate, broadcast properties could become mere commodities to be traded as beans and cotton futures. And, somehow, that notion is at great vari-

ance with what we have always felt about the essential character of broadcasting.

Similar concerns have been raised by Gene Jankowski, also of CBS, who recently noted the destabilizing effects of FCC rule changes that make it easy to buy and sell stations rapidly, often with the result that stations take on a mountain of debt. As Mr. Jankowski noted in his speech.

If we are not careful, we could end up more concerned about serving our debt than about serving the public.

A recent editorial in Electronic Media observed that elimination of the antitrafficking rule,

Has seriously disrupted what had long been a commendably stable and successful industry. Stations are now bought and sold as if they were soybean futures or pork bellies, and a good many career broadcasters are being chewed up in the process. Perhaps in the long run the benefits of this deregulatory move will outweigh the losses. But perhaps not.

I believe it is most probably not, Mr. Speaker. Clearly, this is an issue Congress should consider. There are special problems and issues raised by trafficking in broadcast licenses and, today, I am introducing legislation that will address concerns raised about this practice.

This legislation will reinstate the so-called antitrafficking rule that says we expect a licensee to hold his or her license for a full license term of 3 years. It will not interfere with the normal course of business for any licensee. It will not affect routine license transfers, pro forma changes, or assignment of boosters and translators. Nor will this legislation interfere with the licensee who, due to unforeseen circumstances beyond his control, is forced to sell a station. It will not affect those who own stations already. It will, however, secure continuous, responsive broadcast service for the American public. I invite my colleagues to join with me in making sure the American public is not disserved by deregulation that is carried to a mindless extreme.

CHINATOWN PLANNING COUNCIL SENIOR CITIZENS' CENTER

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. GREEN. Mr. Speaker, today, I wish to honor an organization in my congressional district, the Chinatown Planning Council [CPC], whose Project Open Door provides immense inspiration and hope to Pacific Asian American senior citizens.

Founded in 1964, the Chinatown Planning Council was the first Chinese social service nonprofit organization in Chinatown to recognize the special problems of the Chinese community. The council's activities include planning and direct services in the fields of social service, education, housing, and health, among others.

In particular, however, the council has been a ray of hope to the senior citizens of Chinatown through their "Project Open Door." As with the rest of the United States, the Chi-

nese-American senior citizen population has been increasing rapidly. Often the elderly in Chinatown experience language and cultural difficulties, isolation, housing, employment, and social security problems which cannot always be handled by traditional social service organizations.

In a partnership between the Federal Government and CPC, the council opened its own senior center, Project Open Door. Project Open Door not only provides social services, nutritional advice, and other assistance to seniors, but also provides a place where seniors can meet for recreational activities, cultural resources, or new friends. Project Open Door gives seniors a chance to meet with other people that have similar interests.

Too often, senior citizens live in dreary apartments by themselves with few resources. "Open Door" provides a warm, attractive setting to relax with friends, and organized activities are planned around social, cultural, and recreational interests.

I know my colleagues will join me in honoring this outstanding organization, the Chinatown Planning Council, and its senior center, Project Open Door. Without the council and Project Open Door, many Chinese-Americans senior citizens would live a life with little joy and hope.

RETIREMENT OF JOSEPH B. MOL

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. LIPINSKI. Mr. Speaker, it is my honor and privilege to recognize the retirement of Mr. Joseph B. Mol from the Joslyn Manufacturing Co. in Chicago. In his over 20 years of dedication to his manufacturing company, he has grown as a husband, father of three children, citizen, and as a Christian.

Mr. Mol was born on July 25, 1924 in Chicago and raised in the "Back of the Yards" area. He married Rosanna Rocca in 1950 and raised three children: Father Joseph C. Mol, Linda, and Dawn Marie.

Mr. Mol has been a patriotic and achieving man but still retained his simple outlook on life. He fought for our country in the Philippines during World War II and is a member of the Veterans of Foreign Wars. He loves his family and friends dearly, and always lends a helping hand—especially when his son was completing his priesthood.

Mr. Joseph B. Mol is an outstanding example of the fine ideals held by our working citizens. His love for God, his family, and occupation make his retirement even more special for those loving ones around him.

THE ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday,

June 18, 1986, into the CONGRESSIONAL RECORD:

THE ECONOMY

In many ways, the U.S. economy seems to be in better shape now than it has been for a long time. We have had almost four years of growth without a recession. Most Americans are better off today than they were in the 1970s. Many observers find conditions in the economy sounder than they have been for two decades or more. There are some troubling signs, but further growth is expected, at least through next year.

The unemployment rate of 7.3% is high by historical standards and is much higher in certain hard-hit industries. Nevertheless, the economy has done remarkably well creating jobs, even if it has not managed fully to accommodate the rapidly expanding portion of the population, mainly women, who want to work. More than 60% of all adults are at work, a higher percentage than at any time in the past. Inflation is under control for now. Consumer prices rose only 1.6% during the past year and actually fell dramatically during the last three months. Interest rates have also dropped significantly. And after four years in which the overvalued dollar undermined U.S. competitiveness in manufacturing, the dollar has fallen steadily for almost a year and a half.

Despite these encouraging signs, doubts about the economy's strength linger. No one thinks a recession is imminent, but there are mixed signals about where the economy is headed. Although there have been signs of stronger economic growth since the beginning of the year, that has not happened yet. So far, only the housing industry has responded strongly. The rest of the economy has remained fairly stagnant this year. Manufacturing employment has fallen, retail sales have shown no increase since December, new orders for manufactured goods fell, as did new orders for durable goods. The business failure rate is the highest since early in the Great Depression. The nation's international competitiveness shows little signs of recovering. There has not been any improvement in the trade deficit even with the fall of the value of the dollar. Federal budget deficits stubbornly persist. The federal deficit is projected at over \$200 billion for fiscal year 1986, and could be even higher if lower economic growth reduces revenues. Household and corporate borrowings are also at historic highs.

Perhaps the most troubling economic trend is the lag in productivity. Productivity growth in the nonfarm business sector average a lackluster 1½% between 1983 and 1985, and industrial output fell again during the first part of this year. U.S. productivity is the weakest of all major industrial nations, for reasons not fully understood by economists.

The recent prosperity has also not been shared by everyone. The poverty rate, though still below its level in the 1950s, has risen during the last few years. Growth has been strong along the East and West coasts, but it has been much weaker in the interior of the country. Two major sectors of the economy, agriculture and energy, have been hit by declining prices. It is easy to see great distress, depression even, in the farm belt, in the oil patch and in the western mining and timber country.

Most observers think the economy will improve in the last half of this year. They base that judgment on the recent decline in interest rates, the drop in oil prices and the fall in the value of the dollar. With each of

these, however, a problem exists. Nominal interest rates have declined, but real (i.e. inflation-adjusted) interest rates remain very high compared to those in the past. The fall in the value of the dollar may not be as beneficial as many hoped. It has declined against the currencies of Europe and Japan, but it continues to rise against the currencies of Canada, Latin America and the Far East. Also, Japan is the major supplier to the U.S. of consumer goods, including microwave ovens and VCRs. Since there is no U.S. production capacity to replace these imports, a decline in the value of the dollar will probably not reduce imports from Japan or stimulate domestic production. Oil prices have fallen from \$28 per barrel in November 1985 to around \$15 per barrel today, but that decline has mixed consequences for the economy. The drop will increase the money consumers have to spend on goods and services, but there is an offsetting impact in the oil producing states hurt by the drop in prices. In the long run, increased domestic oil consumption from lower prices could reduce domestic production and make us more dependent on imports.

Tax and budget policies in Washington are the major uncertainties in the economy right now. It is much too early to declare victory over budget deficits, and Congress is doing the most radical rewrite of the tax code in its 72-year history. Businesses are delaying plans to invest in plants and equipment until a new tax law emerges.

The mixed economic signals make it difficult for policymakers. Some think that an economic pickup is just ahead. They point out that the economy grew at a rate of 3.7% during the first three months of this year after a disappointing 2.2% last year, and predict further growth ranging from a modest 3% to as high as 4% for the rest of the year. They reject changes in economic policy that would risk higher inflation next year. Others think that growth is always just beyond reach and feel that now is the time to step on the accelerator. That probably means a move by the Federal Reserve Board to reduce interest rates even further. Given the huge budget deficits that constrain the President and the Congress, only the Federal Reserve has sufficient flexibility to act to stimulate the economy.

My own feeling is that the best thing to do is to sit tight, at least for the time being. The economic signals are mixed, and I am not yet persuaded that we should step on the economic accelerator. Despite the persistent problems, my sense is that the economy is in reasonably good health. The underlying conditions are good, and for the present the best policy may very well be to carefully monitor our economic progress, plan for possible downturns, but hope that, aside from addressing the needs of those lagging behind, no major corrective policy becomes necessary.

GROUNDWATER CONTAMINATION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. GEJDENSON. Mr. Speaker, on June 13, 1986, the Interior Committee held a hearing in Hartford, CT on legislation I have introduced, H.R. 3906, the National Groundwater Con-

tamination Research Act. One of the best statements at the hearing was made by Ms. Jane Shea, a homeowner on Tripp Road in Ellington, CT, whose well was closed in 1984 because of contamination by the pesticide EDB. Ms. Shea aptly described the paralyzing consequences groundwater contamination had on her entire neighborhood—frustration, anxiety, dropping property values, and concern for the health of their children.

Fortunately, the groundwater contamination problem on Tripp Road in Ellington has a happy ending. The State of Connecticut supplied bottled water to the residents and then made a \$500,000 grant to the town to extend the public water main to Tripp Road. Other residents of Connecticut and the rest of the country have not been as fortunate. Their contamination problem has not been solved and they continue to suffer the health risks, emotional stress, and financial losses caused by contamination of their wells.

In Congress we often lose sight of the real consequences of problems such as groundwater contamination. I recommend Ms. Shea's testimony to other Members of Congress so they can get a complete understanding of the severe impact groundwater contamination has had on communities across the Nation. We must take strong action now to prevent more groundwater contamination from occurring in the future.

TESTIMONY OF JANE SHEA OF ELLINGTON, CT

In my hometown of Manchester, New Hampshire we were blessed with the crystal clear waters of Masabesic Lake. It has been some 30 years since I moved to Connecticut, but I can still remember that sweet, pure taste of our famous home town water.

I thought that luxury was forever lost until we built our new home in Ellington some 14 years ago. Our well on the property is deep and productive. It produces an unfailing supply of sparkling, great tasting water—always cool and always refreshing. I cannot tell you how often our visiting friends would comment on the wonderful taste of our water.

We aren't drinking that water any more—and we haven't had a drop of it to drink during the past two years. I had never heard of EDB until an article appeared in our local paper, it announced that several wells in the adjacent town of East Windsor had been found to contain unusually high levels of the pesticide called EDB. No great alarm was raised and no specific conclusions were drawn. The matter was under study it said—and as a precaution it was suggested that the owners of those homes refrain from using their well water.

In the weeks that followed, I read with growing concern of more findings of EDB in several other area wells—and then of similar findings in Ellington as well. By now EDB was becoming a popular topic of conversation and was regularly making the news. Large scale testing had been initiated and the water on our street was tested. The wells of nearly half of the homes were found to have traces of EDB and a dozen or so had readings exceeding the threshold level of one part per billion of EDB.

I am not really sure I understand the significance of this number—but I do know that I was upset to learn that our water fell slightly above the standards established by the State authorities. It bothered me to realize that our water might not be safe to drink—we had enjoyed it for so many years

and it tasted no different now than it ever did. It was frightening to learn that this most essential substance had been made useless for one's use. I could not help but wonder what effect its use had brought upon myself and my loved ones.

My first reaction was one of surprise—then disbelief—then anxiety and perhaps anger—and suspicion—especially when the answers of those who have made these doomsday pronouncements are vague—uncertain—evasive—defensive—etc. Finally you reach the awareness that the overall effect of this threat—whether genuine or not—is that your neighborhood has lost its credibility as a desirable place to live.

In the two year period while we struggled with the problem not one house in the neighborhood was sold. Realtors shunned the area, banks would not place mortgages on the properties. It did not really matter whether your well was affected or not, the general attitude was that if you don't have EDB this year, who can say you won't have it six months down the road.

In reality the entire neighborhood was faced with the threat of economic catastrophe—as well as a life threatening health hazard. And as is most often the case, the threat of monetary loss helped the people focus on the urgency of the problem.

In our neighborhood petitions were circulated—all but one of the 35 property owners on our street requested that the authorities take action to extend public water into the area. In our case it was a feasible solution since we border an area where a public water main already was in place. Other homeowners in the town made similar requests and when the local officials became aware of the significance of the problem they performed their duties with gusto.

We had meetings and more meetings of every kind and description—informational meetings with State officials, with water company people, with the local authorities, with ourselves, and with anyone else who would listen. Gradually a policy emerged whereby the State agreed to supply bottled water to all affected homeowners until a feasible solution was found. Through the diligent followup and preparation of our local officials Ellington successfully obtained a State grant for the extension of the water line to a large portion of the areas of the town where EDB had been found. In other cases filtration systems were installed to relieve the problem. Many towns were not as fortunate in finding a solution to their problem—and controversy still lingers on the size and shape of the problem.

In Ellington our problem has been solved—the water line is in—houses are selling again—new dwellings are going up—the bottled water trucks no longer ply the street. But I cannot help but wonder if all of what we have been through is not just a mild forerunner of what the future holds.

Our town water is drinkable, at least by State standards it is, but in all honesty it does not have the taste, or clarity, or satisfying quality which came from our well. Recently, I saw an article which claimed that the risks involved with EDB are far less than those contained in the chemicals used to protect the public water systems.

The common comment used throughout the hearings and meetings on the subject brought the "tip of the iceberg theory". I agree with this theory and for the sake of all of us I support the legislation on ground water research.

MEDICARE TIMELY PAYMENT AMENDMENTS OF 1986

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. GRADISON. Mr. Speaker, today I am introducing, along with my distinguished subcommittee chairman, Mr. STARK and several of my other distinguished colleagues, legislation to require timely payment of properly submitted Medicare claims and to retain the existing periodic-interim-payment [PIP] method of reimbursing providers of services. A similar bill is being introduced today in the other body by the chairman and ranking minority member of the Subcommittee on Health of the Committee on Finance.

Over the past few months the volume of complaints from my constituents as well as those of my colleagues has reached a point where this matter must be addressed through legislative action. The complaints are in reaction to a policy implemented for budget reduction purposes by the Health Care Financing Administration [HCFA] which would increase the length of time to make payment on Medicare claims. Historically, such payments have been made within 2 or 3 weeks. The most recent policy being pursued by the Administration would establish 30 days as the standard length of time for making payment on claims. I understand, however, that HCFA now may be revising its standard to 27 days.

The reality is, however, that the decision to delay payment has caused a serious backlog of claims, and by the end of the current fiscal year our largest Medicare contractor, the Blue Cross and Blue Shield Association, is projecting to have nearly 4 million claims pending over 30 days.

In hearings on April 22, 1986, before the Subcommittee on Health of the Committee on Ways and Means, we reviewed the issues related to Medicare claims payments. Quite frankly, I had hoped that as a result of that hearing the message would have gotten through to the Health Care Financing Administration that continuation of the delay in payment policy is an unacceptable way to gain budget savings. What's more, it is counterproductive to efforts to encourage greater participation by physicians in the Medicare Program, and causes a financial hardship on many of the beneficiaries who submit their claims directly to the Medicare carriers. Nearly 40 percent of all part B claims are submitted by individual beneficiaries.

Not only has the payment policy continued on what, I believe, is a misguided course, but in addition, the elimination of the Medicare periodic interim payment [PIP] has been proposed in regulations published by the Secretary on June 3, 1986.

Under PIP, a large proportion of our Nation's hospitals, skilled nursing facilities, and home health agencies are paid on a biweekly installment basis in anticipation of estimated future actual payments. PIP provides a predictable, steady stream of Medicare payments and helps to minimize provider cash flow problems. The elimination of PIP, when coupled with the imposition of payment delays by

HCFA, will cause special hardship for some providers as well as further dissatisfaction and complaints about Medicare payment policies.

Although my proposal would retain the existing PIP Program, this is an area that may warrant some modification by the Ways and Means Committee in view of the other payment improvements proposed in the bill. Accordingly, if these improvements are made, it may be appropriate to restrict PIP to those providers which remain under cost-reimbursement payment rules, and to hospitals which serve a disproportionate share of Medicare beneficiaries. PIP may also be necessary to ease cash flow problems for some rural hospitals.

Mr. Speaker, in my view the budget savings to be gained by delaying payment are largely illusory. The amount of time that is consumed in dealing with beneficiary and provider inquiries, as well as sorting out duplicated claims in order to avoid overpayment, add costs that could be avoided if payments were made on a timely basis.

The cheapest way to pay a problem-free claim is to pay it on time, and not to play delaying games with providers and beneficiaries.

The bill I am introducing today would be a major step toward bringing some order to the turmoil created by recent and proposed changes in claims payment procedures.

In addition to maintaining the existing PIP Program, the bill would require interest to be paid on problem-free claims if payment is not made on or before the 22d day after receipt by the Medicare intermediary or carrier. Within the same 22-day period, the intermediary or carrier would be required to notify the submitter of the claim of any defect or impropriety in the claim or any circumstance that prevents timely payment. Failure to provide such notification would cause interest to be paid on the amount of the claim approved by the Medicare Program. The interest would be calculated, beginning with "day 23," until the date payment is made for a notice is provided, whichever is earlier.

Under the bill, the source of funds for the interest payments, if such payments are triggered, would come from the amounts made available for the administrative costs of the Health Care Financing Administration.

I hope that it would not be necessary to spend any funds on interest payments. The objective here is not to pay interest. The objective is to either make timely payments, or inform beneficiaries, physicians, and other providers of services that there are problems with their claims and to let them know what they need to do to make corrections.

Mr. Speaker, in view of the wide-spread concern of Members over this matter, I would be grateful if the text of the bill could appear in the RECORD following my remarks. I welcome the cosponsorship of this legislation by my colleagues.

H.R. —

A bill to amend title XVIII of the Social Security Act to require timely payment of properly submitted Medicare claims and to retain the existing periodic-interim-payment method of reimbursing providers of services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Timely Payment Amendments of 1986".

SEC. 2. PROMPT PAYMENT BY INTERMEDIARIES UNDER PART A.

Section 1816(c) of the Social Security Act (42 U.S.C. 1395h(c)) is amended—

- (1) by inserting "(1)" after "(c)", and
- (2) by adding at the end the following new paragraph:

"(2)(A) Each agreement under this section shall provide that, in cases of claims for which payment is not made on a periodic interim payment basis under section 1815(a)—

"(i) if payment is not made on or before the 22nd calendar day after the date on which a clean claim is received, interest on the claim shall be paid at the rate used for purposes of section 2902(a) of title 31, United States Code (relating to interest penalties for failure to make prompt payments) for the period beginning on the day after the required payment date and ending on the date on which payment is made;

"(ii) within 22 calendar days after the date a claim for payment under this part is received, the agency or organization shall notify the entity submitting the claim of any defect of impropriety in the claim (including the lack of any required substantiating documentation) or circumstance requiring special treatment that prevents the claim from being treated as a clean claim and prevents timely payment from being made;

"(iii) if notice required under clause (ii) is not provided on a timely basis with respect to a claim and payment is subsequently made on the claim, interest on the amount determined to be payable shall be made (at the rate described in clause (i)) for the period beginning on the day after the required notice date and ending on the date on which payment is made or the date the notice is provided, whichever date is earlier; and

"(iv) the agency or organization will be reimbursed under the agreement for the amount of interest paid under this subparagraph from amounts made available for Federal administrative costs to carry out this part.

"(B) In this paragraph, the term 'clean claim' means a claim which meets the requirements of section 1814(a)(1) and any other requirements of this title for payment under this part."

SEC. 3. PROMPT PAYMENT BY CARRIERS UNDER PART B.

Section 1842(c) of the Social Security Act (42 U.S.C. 1395u(c)) is amended—

- (1) by inserting "(1)" after "(c)", and
- (2) by adding at the end the following new paragraph:

"(2)(A) Each contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B), shall provide, in the case of claims for which payment is not made on a periodic interim payment basis described in section 1815(a)—

"(i) if payment is not made on or before the 22nd calendar day after the date on which a clean claim is received, interest on the claim shall be paid at the rate used for purposes of section 3902(a) of title 31, United States Code (relating to interest penalties for failure to make prompt payment) for the period beginning on the day after the required payment date and ending on the date on which payment is made;

"(ii) within 22 calendar days after the date a claim for payment under this part is received, the carrier shall notify the entity

submitting the claim of any defect or impropriety in the claim (including the lack of any required substantiating documentation) or circumstance requiring special treatment that prevents the claim from being treated as a clean claim and prevents timely payment from being made;

"(iii) if notice required under clause (ii) is not provided on a timely basis with respect to a claim and payment is subsequently made on the claim, interest on the amount determined to be payable shall be made (at the rate described in clause (i)) for the period beginning on the day after the required notice date and ending on the date on which payment is made or the date the notice is provided, whichever date is earlier; and

"(iv) the carrier will be reimbursed under the contract for the amount of interest paid under this subparagraph from amounts made available from Federal administrative costs to carry out this part.

"(B) In this paragraph, the term 'clean claim' means a claim which meets the requirements of this title for payment under this part."

SEC. 4. RETAINING EXISTING PERIODIC-INTERIM-PAYMENT (PIP) REGULATIONS.

The Secretary of Health and Human Services may not repeal or otherwise modify the regulations in effect, as of June 1, 1986, under title 42, Code of Federal Regulations, section 405.454(j) (relating to the periodic interim payment method of reimbursement for providers of services).

SEC. 5. EFFECTIVE DATE.

(a) PROMPT PAYMENT.—The amendments made to sections 2 and 3 shall apply to claims received on or after September 1, 1986.

(b) PIP.—Section 4 takes effect on June 1, 1986.

(c) REVISION OF INTERMEDIARY AGREEMENTS, CARRIER CONTRACTS, AND REGULATIONS.—The Secretary of Health and Human Services shall provide for such timely amendments to agreements under section 1816 of the Social Security Act and contracts under section 1842 of such Act, and regulations, to such extent as may be necessary to implement the provisions of this Act on a timely basis.

MINERSVILLE MINERS WIN STATE SOFTBALL CHAMPIONSHIP

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. YATRON. Mr. Speaker, I rise today to pay special tribute to the Minersville, PA, high school girl's softball team. On June 13, 1986, the "Big Blue Machine" captured the PIAA class AA State softball championship with a 7-to-1 victory over Northwestern.

The "Big Blue Machine" led by Coach Ken Schneck, are building a dynasty in class AA softball. In 10 years, they have won three State, five district, and six league titles. This year's win was particularly gratifying for the "Miners," who finished the season with a 25-to-2 record. In the championship game, they were led by Rachel Ryan's three-hit pitching performance and Denise Stephen's six-RBI day at the plate. Combined with the stellar performances of the rest of the squad, the

"Big Blue Machine" had all the ingredients for an impressive victory. With eight starters returning next year, I am certain that we can expect further victories from the Miners. I know that my colleagues will join me in congratulating Coach Schneck and the entire team on this outstanding achievement.

PHILIP VIAL: 1986 RECIPIENT OF THE AMERICAN INSTITUTE FOR PUBLIC SERVICE JEFFERSON AWARD

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. STUDDS. Mr. Speaker, I rise today to congratulate Philip Vial of New Bedford, MA, on being named by the American Institute for Public Service as a 1986 recipient of the distinguished Jefferson Award for Outstanding Public Service Benefitting Local Communities. The American Institute for Public Service and the Jefferson Awards were founded in 1972 to honor achievements in the field of public service in the United States. Over the years, the American Institute has recognized the dedication, sacrifice and accomplishments of dozens of American men and women. Mr. Vial is indeed a worthy recipient of this honor, having been nominated for developing and producing communications systems for severely disabled, nonvocal individuals.

Prof. Philip Vial has devoted the past 5 years of his life to providing innovative, state-of-the-art electronic communications apparatus to severely disabled, nonvocal individuals to enable them to communicate independently, some for the first time in their lives. He has volunteered his time and his professional engineering skills to the SHARE Foundation at Southeastern Massachusetts University, a nonprofit agency which he helped establish. SHARE, Society for Human Advancement through Rehabilitation Engineering, has provided custom-fabricated computerized communications systems to more than 30 profoundly disabled individuals in southern New England. Professor Vial was the man behind each system; he designed it, built it and saw that the system did what it was designed to do.

Professor Vial has touched the lives of countless individuals and by his efforts, he has significantly improved the quality of life for many people. His work with the profoundly disabled began in 1981, when with the aid of another faculty member, he devised a system to enable a 24-year-old, severely disabled, nonvocal woman to speak via a computer assisted electronic speech synthesizer. She had never before been able to speak or to make any meaningful sounds or gestures. Today she is on her way to earning a high school diploma, something which would be impossible were it not for the complex communications system which enables her to speak and write by only moving her head.

He has since designed and built systems for many children and adult nonspeaking victims of cerebral palsy. In addition, he has provided communication devices for victims of amyotro-

phic lateral sclerosis. These individuals can use equipment that is controlled by raising and lowering an eyebrow. For a stroke victim who does not even possess that ability, Professor Vial is now working on an eye blink controlled talking computer. Every system is different because every system recipient is different.

Not only has he labored nights, weekends and holidays without compensation, he has put money of his own into the program when fundraising efforts failed on occasion to yield enough to purchase the necessary parts and equipment.

Mr. Speaker, for his exemplary leadership and hard work in behalf of handicapped individuals, Philip Vial deserves our warm congratulations.

A TRIBUTE TO NIKOLA TESLA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. GEKAS. Mr. Speaker, few people know of one of our Nation's most important scientists, Nikola Tesla. A much honored and highly respected member of the scientific community, Nikola Tesla is rarely known by the average citizen but his accomplishments are used everyday in business and industry.

Nikola Tesla began life in Serbia and immigrated to the United States in the early years of his life. He spent his working life in laboratories across the Nation, from Colorado to New York City, experimenting with electrical currents. Among his many significant accomplishments is the discovery of the practical applications of alternating currents, a landmark discovery for high voltage technology, the invention of the polyphase electric motor, the bladeless steam engine and radio guided torpedoes.

His accomplishments have been recognized by prestigious institutions throughout the world including Yale, Columbia, The High Technical School of Vienna, Universities of Belgrade and Zagreb, the American Association for the Advancement of Science, American Electro-Therapeutic Association, and the American Institute of Electrical Engineers.

During his lifetime, Nikola Tesla has proven to be not only an exceptional scientist but an exceptional American. Without his accomplishments our Nation and the world would be lacking so much of the technology that has allowed us to advance into our modern society.

TITAN MISSILE MUSEUM DEDICATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. KOLBE. Mr. Speaker, not many days ago a unique event occurred in my district. It was the dedication of the Titan II Missile Museum, in the Fifth District of Arizona. This is the first and only ICBM complex in the

world that is open to the public. The complex contains a Titan II missile housed in an actual missile silo. The Titan II Missile Museum is a tribute both to the pioneers of flight and space technology and to those dedicated men and women in the Air Force who have contributed to the national security of our country.

Originally deployed in 1963, the Titan II, the first missile to be based in underground silos, is a two stage, liquid-fuel rocket, 103 feet long and 10 feet wide. It is the largest and most powerful intercontinental ballistic missile [ICBM] ever to be in the U.S. inventory. The Titan has a range of more than 5,000 miles, depending on the payload, and its nuclear warhead may carry an estimated yield of the equivalent of 9 million tons of TNT. The service life of this missile was planned for just 10 years but nearly a quarter of a century later, the Titan is still on alert.

Site 571-7 in Green Valley is one of 54 ICBM sites being deactivated as a result of President Reagan's Strategic Modernization Program. Deactivation of the Titan began in 1982 and will continue until the last of the missiles is deactivated in 1987. The silos which remain are dismantled in compliance with the SALT I agreement and the silo cap at the Titan II Museum was built in a way that complies with the agreement.

After the missiles are deactivated they are turned over to the Aerospace Maintenance and Regeneration Center at Davis Monthan AFB, AZ. They are then processed and stored at Norton AFB, CA. These stored missiles are then available for future use in our Space Program.

The Titan II Missile Museum is the product of the persistent efforts of the Tucson Air Museum Foundation of Pima County and the Green Valley Chapter of the Air Force Association. For 3 long years, these organizations confronted a maze of bureaucratic obstacles, not the least of which were posed by the Soviet Union. For example, at one time, work was delayed while the Soviets took satellite photos of the complex to insure it was inoperable, in accordance with the SALT I agreements. The advocates of the Titan Missile Museum are to be commended for their perseverance in establishing this historic tribute despite the many difficulties they encountered.

I want to extend a cordial invitation to my colleagues and their constituents to visit this monument near Green Valley, AZ.

BEVIN POWER RECEIVES LEADERSHIP AND ACADEMIC RECOGNITION FROM VIRGINIA EDUCATION SYSTEM

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. LOWRY of Washington. Mr. Speaker, I am a firm believer that we in Congress should always take the time to acknowledge the achievements our Nations' young people whenever and wherever they occur. I am proud to share with my colleagues the information that on June 12, 1986, Bevin Power, the daughter of our friend Jay Power of the AFL-

CIO Legislative Department, received the Student Council Association Leadership Award from the Hutchison Elementary School in Herndon, VA.

This annual award, chosen by the school faculty and principal, is given to the one student they believe embodies the all-around academic, personal, and leadership qualities necessary for both personal achievement and consistently positive interaction with the entire student body.

Bevin, who will be moving on to junior high school in the fall, attends Hutchison with some 900 fellow students. I further understand that she is the first young woman in the school's history to receive the most outstanding student honor.

To all those who know Bevin, the announcement of this award does not really come as a surprise. Bevin's many fine qualities are self-evident. She has been active in the school chorus and named to the All-Fairfax County Chorus. Bevin has played the female lead in two theatrical productions at Hutchison, as well as working in impromptu talent shows and as an announcer for official school events.

There is no doubt that her classmates, her mother, her relatives in the Power and Picket families have a right to be quite proud. Bevin has a poise, presence and maturity beyond her years. I congratulate her on her achievement, and I know it is the first of many more to come.

THE OPENING OF WEST SANDS HOSPITAL

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. SMITH of Florida. Mr. Speaker, I am pleased to announce the opening of West Sands Hospital, located in Miami, FL. The dedication ceremony will be on Thursday, June 26, with the hospital scheduled to open in mid-July. This 88-bed psychiatric center in West Dade County promises to offer the finest of care for both youths and adults. West Sands will be more than a hospital: it will be an adroitly structured community catering to the needs of individual patients.

West Sands will provide patients with a well-skilled and energetic treatment team of psychologists, social workers, psychiatric nurses counselors, teachers, and other mental health specialists—all under the careful supervision of the attending psychiatrist. Treatment at this facility will be provided in distinct areas so that those patients with unique needs may be treated without interfering with the therapeutic process of others.

In addition, West Sands is designed to assist patients in developing a sense of self-esteem and self-purpose and to encourage them in building a promising future for themselves. It is encouraging to learn of the opening of a new hospital whose personnel are eager to meet the often trying yet fulfilling challenge of reintegrating people into the community.

West Sands Hospital is a welcomed addition to the Miami community. I congratulate administrator Mr. Rea A. Oliver on the opening of West Sands and wish him and his staff the best of luck.

SALUTE TO THE COAST GUARD AUXILIARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. DINGELL. Mr. Speaker, Michigan Gov. James Blanchard is issuing a proclamation declaring June 21, 1986 Coast Guard Auxiliary Day—1986 in the State of Michigan. I am honored to join the Governor in recognizing the commendable efforts of the Coast Guard Auxiliary to promote boating safety.

Since its founding by Congress in 1939 as an all-volunteer civilian component of the U.S. Coast Guard, the Coast Guard Auxiliary has provided voluntary assistance worth millions of dollars, and saved thousands of lives for the recreational boaters of the United States, all at little or no cost to the taxpayers. In 1982 alone, Auxiliary search and rescue efforts saved 1,122 lives and a quarter of a billion dollars worth of property. Auxiliary members willingly donate their time, boats, boating equipment, and years of expertise.

In addition to providing search and rescue services and safety and regatta patrols to aid boaters, the Auxiliary is heavily involved in providing instruction to the public, offering a course covering: safe boating principles, the legal responsibilities of the operator, boaters' language and trailering, boat handling, rules of the road, aids to navigation, piloting, marine engines, marlinpike seamanship, sailing, weather and radiotelephone. Advanced courses in navigation, meteorology, marine engines, communications and rescue operations are also available. Another invaluable service is the Courtesy Marine Examination, a free check of boats' equipment covering Federal and State safety related requirements plus additional standards recommended by the Auxiliary. This service encourages boaters to carry more safety equipment and meet higher safety standards than merely those required by State and Federal boating regulations. Boats passing the Courtesy Marine Examination receive the Auxiliary's decal, known as the "seal of safety."

It gives me great pleasure to salute and raise public awareness about the Coast Guard Auxiliary. The Auxiliary's strong commitment to promoting public safety and its selfless dedication to serving others both follow in the great traditions of our country. I am proud to see citizens so willing to help others without great fanfare. Indeed, the Coast Guard Auxiliary deserves the public's wholehearted support.

**COOPERATION IS BETTER THAN
CONFRONTATION****HON. E de la GARZA**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1986

Mr. DE LA GARZA. Mr. Speaker, a unique thing has recently occurred in the agriculture business sector and I would like to share it with my colleagues.

In 1979 the Campbell Soup Co. found itself the victim of a boycott against its products by

the Farm Labor Organizing Committee. The FLOC tried to maintain that vegetable growers who were under contract to Campbell's were not the real employers of farmworkers who picked the vegetables—that is was Campbell's Soup Co. who should be considered the employer of the farmworkers because Campbell's was purchasing the vegetables from the growers.

A commission headed by former Labor Secretary John Dunlop and organized by the National Council of Churches disagreed. The Dunlop Commission said that even though the amount of money paid by Campbell's to the growers would in turn be a determining factor

in the farmworkers' pay levels—this still does not make Campbell's an employer of the farmworkers.

The commission worked out a multi-year labor contract between the growers and the farmworkers, and in a show of good will, the Campbell Soup Co. signed the documents as an interested third party.

It was not incumbent on Campbell's to enter this dispute between farmworkers and growers—but it did so out of a feeling that cooperation is better than confrontation. Campbell's third party efforts are to be commended and to all our friends at the company we applaud your actions.